

Prevailing Wage Compliance Specialists		Agency/Program #: 6602-04-I1
		Division: Employment Relations
		Program:
Agency Name:	Department of Labor and Industry	
Agency Contact:	Tammy LaVigne	444-3697
LFC Contact:	Representative Hiner, Senator Bales, Senator Schmidt	
LFD Liaison:	Pam Joehler	444-2722
OBPP Liaison:	Joe Garza	444-1334

Program or Project Description:

The legislature approved \$150,000 each year of the biennium from the employment security state special revenue account for 2.00 new FTE compliance specialists to expand the prevailing wage and minimum wage enforcement and compliance work unit. The additional staff will be used to verify correct prevailing wages and insure that employers are properly paying the increase in minimum wages required by Initiative 151, passed by Montana voters in 2006.

Appropriation, Expenditure and Source					
Fund Name:	2008		2009		Approp & Expenditure numbers are as of October 31, 2007
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special					
Federal Funds					
Total:	\$0	\$0	\$0	\$0	

Goal(s):

See attached document from OBPP

Performance Measures :

1. Identify those projects subject to the prevailing wage law.
2. Ensure the Contracting Agent has included prevailing wage rate schedules in public works contracts let out for bid, and has included a provision requiring contractors give preference to employment of bona fide Montana residents.
3. Conduct routine site inspections of public construction and nonconstruction projects to:
 - o Verify the prevailing wage rate schedules have been posted on the project site or work area.
 - o Interview workers of the contractor and subcontractors to ensure they are classified in accordance with the craft or trade to be performed and paid the established prevailing wage rate.
4. Inspect and audit payroll records of contractors and subcontractors.
5. Investigate complaints of misclassification and or nonpayment of prevailing wage rates.
6. Provide general education and training on Montana's prevailing wage law and regulations to contractors, subcontractors and public contracting agencies through seminars, reference materials and on site visits.
7. Number and percent of employers audited or inspected that were in compliance with the law

2009 Biennium Significant Milestones:		Completion Dates	
		Target	Actual
1			
2			
3			
4			
5			

Performance Report:

See attached document from OBPP

LFD Narrative:**EXECUTIVE CHANGES**

1. Changes to Goals/Initiatives: No
2. Changes to Performance Measures: Yes, the executive deleted the one performance measure that would indicate the number and percent of employers audited or inspected that were in compliance with the law. The performance measures did not include any specific benchmark for evaluating performance. However, the executive did add specific milestones and target dates.

LFD ASSESSMENT

1. Goal is measurable within the biennium: No. Without quantifiable performance measures, there is no meaningful way to measure progress. Performance measures are not timebound.
2. Progress toward goal: Unable to determine. The agency did report good progress on implementing the administrative framework for this new program.

APPROPRIATION ISSUES

1. Appropriation/Expenditures Provided: No
2. Other Appropriation Issues: None at this time

OPTIONS REGARDING GOAL/INITIATIVE AND PERFORMANCE MEASURES

1. Request specific goals for each performance measure
2. Establish specific reporting timeframes for the biennium



Version	Date	Author
AW-1	12/7/07	Joehler

Change Description
Add LFD narrative



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Goals/Objectives

Agency Contact: Tammy LaVigne **Phone Number:** 444-3697
Agency Name: Department of Labor & Industry
Division: Employment Relations Division
Program (identify and briefly describe): The Montana Prevailing Wage Law, adopted in 1931 by the legislature, protects local labor markets, maintains the general welfare of Montana workers on public work projects, eliminates wage cutting as a method of competing for public contracts, maintains wages and rates paid on public works at a level sufficient to attract highly skilled laborers performing quality workmanship, and prevents the rate of wages from adversely affecting the equal opportunity of Montana contractors to bid on public works.

List a single goal and brief description:

Protect and maintain the general welfare of Montana workers through enforcement and compliance with the Montana Prevailing Wage Act.

Describe the performance measures related to this goal:

- Identify those projects subject to the prevailing wage law.
- Ensure the Contracting Agent has included prevailing wage rate schedules in public works contracts let out for bid, and has included a provision requiring contractors give preference to employment of bona fide Montana residents.
- Conduct routine site inspections of public construction and non-construction projects to:
 - Verify the prevailing wage schedules have been posted on the project site or work area.
 - Interview workers of the contractor and or subcontractors to ensure they are classified in accordance with the craft or trade to be performed and paid the established prevailing wage rate.
- Inspect and audit payroll records of contractors and or subcontractors.
- Investigate complaints of misclassification and or nonpayment of prevailing wage rates.
- Provide general education and training on Montana's prevailing wage law and regulations to contractors, subcontractors and public agencies through seminars, reference materials, and on site visits.

List significant milestones and target dates to be completed in the 2009 Biennium:

- Hire two Prevailing Wage Specialists by 09/30/07, for increased administration and enforcement of the Montana Prevailing Wage law.
- Develop Job Site Visit procedures by 01/01/08.
- Develop/revise standard letters sent to contractors/subcontractors and contracting entities by

01/01/08.

- Conduct a total of 24 on site inspections of public construction and non-construction projects/contracts by 06/30/08; a total of 48 on site inspections by 12/31/08; a total of 72 on site inspections by 06/30/09.
- Inspect and audit payroll records of at least 8 contractors and/or subcontractors by 06/30/08; a total of 16 audits by 12/31/08; a total of 24 by 06/30/09.
- Develop a Frequently Asked Question (FAQ) link on the Department's website relating to prevailing compliance by 03/31/08.

Describe the current status of the measurements related to the goal:

- Hired two Prevailing Wage Specialists on 09/18/07 and 09/24/07.
- Prevailing Wage Compliance staff is currently identifying projects subject to the Montana Prevailing Wage law with the expectation of conducting on site visits.
- Compliance staff is currently in the process of finalizing the Job Site Visit procedures and standardized letters.
- As of October 2007, three prevailing wage audits have been initiated by the new compliance staff.